

Margaret M. Jacobson

MargaretJacobson.com

CONTACT INFORMATION

Division of Monetary Affairs
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Phone: +1-202-845-4607
Born: 1989, Phoenix, AZ
Citizenship: USA, Latvia

CURRENT EMPLOYMENT

Economist Federal Reserve Board, Monetary Studies, 2020-present

EDUCATION

Ph.D. Economics, Indiana University, 2020
National Science Foundation Graduate Research Fellowship
M.A. Economics, Indiana University, 2015
B.A. Economics and French, Oberlin College, 2011
International Exchange, Sciences Po (Paris, France), 2010
Postbac Mathematics, Cleveland State University, 2011-13

RESEARCH

Research Interests

Macroeconomics, Housing, Monetary and Fiscal Policy

Publications

“Liquidity Provision during the Crisis of 1914: Private and Public Sources,” with Ellis W. Tallman. *Journal of Financial Stability*, volume 17, April 2015, pages 22-34.

Conference Volumes

“The Federal Reserve System and World War I: Designing Policies without Precedent,” with Ellis W. Tallman. (2019). In O. Feiertag & M. Margairaz (Eds.), *Les banques centrales pendant la Grande Guerre* (pp. 15-32). Paris, France: Les Press de Sciences Po.

Working Papers

“Beliefs, Aggregate Risk, and the U.S. Housing Boom”

To understand the source of optimistic beliefs about future house prices during the U.S. housing boom of the 2000s, this paper develops a quantitative framework where unprecedented shifts in credit conditions are a source of optimistic beliefs about future house prices during the U.S. housing boom of the 2000s. In a general equilibrium life-cycle model with incomplete markets and aggregate risk, agents form beliefs about future house prices and learn the actual evolution. Because agents lack historical experience in an aggregate state characterized by high productivity and loose credit conditions, they are more likely to perceive forecast errors as permanent shifts in house prices. Consequently, agents underpredict the extent to which house prices mean revert. These learning dynamics account for 20% of the empirical house price volatility observed throughout the U.S. housing boom improving upon existing frameworks that only match 5%.

“Recovery of 1933,” with Eric M. Leeper and Bruce Preston.

When Roosevelt abandoned the gold standard in April 1933, he converted what had been effectively real government debt into nominal government debt to open the door to unbacked fiscal expansion. We argue that he followed a state-contingent fiscal rule that ran nominal-debt-financed primary deficits until the price level rose and economic activity recovered. Theory suggests that government spending multipliers can be substantially larger when fiscal expansions are unbacked than when they are tax-backed. VAR estimates find that primary deficits made quantitatively important contributions to raising both the price level and real GNP from 1933 through 1937. The evidence does not support the conventional monetary explanation that gold revaluation and gold inflows, which were permitted to raise the monetary base, drove the recovery independently of fiscal actions.

“Inflation Measured Every Day Keeps Adverse Responses Away: Temporal Aggregation and Monetary Policy Transmission,” with Christian Matthes and Todd B. Walker

Using daily inflation data from the Billion Prices Project [Cavallo & Rigobon (2016)], we show how temporal aggregation biases estimates of monetary policy transmission. We argue that the information mismatch between private agents and the econometrician —the source of temporal aggregation bias —is equally important as the more studied mismatch between private agents and the central bank (the “Fed information effect”). We find that the adverse response of daily inflation to high-frequency monetary policy shocks is short-lived, if present at all, in impulse responses from both local projections and an unobserved components model of inflation dynamics. To reconcile how one can obtain a sizable adverse response with monthly or quarterly data when only a limited adverse response exists at a higher frequency, we appeal to a simple monetary policy model and show how temporal aggregation bias can exacerbate initial impulse response functions. Because our modeling results are generic and macroeconomic indicators are published with a lag, we argue that temporal aggregation bias will be a key feature of the nascent field of high-frequency macroeconomics.

Works in Progress

“Loan Renegotiation,” with Rhys M. Bidder, Nicolas Crouzet, and Michael Siemer.

Federal Reserve Publications

“Do Forecasters Agree on a Taylor Rule?” with Charles Carlstrom. *Economic Commentary*, September 2015.

“New Rules for Credit Default Swap Trading: Can We Now Follow the Risk,” with John Carlson. *Economic Commentary*, June 2014.

“The Overhang of Structures Before and Since the Great Recession,” with Filippo Occhino. *Economic Commentary*, April 2014. *Media: Wall Street Journal, Washington Post.*

“Labor’s Declining Share of Income and Rising Inequality,” with Filippo Occhino. *Economic Commentary*, September 2012. *Media: FT Alphaville, Slate, Reuters, CNN, Crain’s Cleveland Business, Bloomberg View.*

More than **30** *Economic Trends* on topics including the economic outlook, monetary policy, inflation, and labor markets.

FELLOWSHIPS

Indiana University College of Arts and Sciences Dissertation Research Fellowship, 2018-19
National Science Foundation Graduate Research Fellowship, 2015-18
Indiana University Department of Economics Fellowship, 2014-15
Indiana University Department of Economics Distinguished Alumni Fellowship, 2014-15

PROFESSIONAL ACTIVITIES (upcoming*)

Conference Presentations

2021 American Real Estate and Urban Economics Association National Conference,
Computing in Economics and Finance, Economic Modeling and Data Science,
Southern Economic Association
2019 Society for Economic Dynamics, Midwest Macro Meetings
2018 Midwest Macro Meetings, Trinity of Stability Webinar Series,
2018 Federal Reserve Bank of Cleveland Financial and Monetary History Workshop
2017 XIX Annual Inflation Targeting Seminar of the Banco Central do Brasil,
Hoosiers Economics Conference
2016 Missouri Valley Economic Association, Next Steps for the Fiscal Theory of the Price
Level at the University of Chicago
2013 Midwest Economic Association

Invited Seminars

2020 Clemson University, European Central Bank, Federal Reserve Bank of Kansas City,
Federal Reserve Bank of New York, Federal Reserve Board, HEC Montréal, Santa
Clara University, Simon Fraser University, University of Illinois Urbana-Champaign,
University of Oregon
2019 Federal Reserve Bank of Chicago
2017 Rutgers University

Poster Sessions

2018 Macro Financial Modeling Summer Session
2017 Macro Financial Modeling Summer Session, AEA Annual Meeting
2016 Trinity of Stability at the Deutsche Bundesbank

Invited Discussions

2021 “Constant Pass-Through,” by Kiminori Matsuyama and Philip Ushchev.
China International Conference in Macroeconomics
2018 “Reducing Debt Short of Default”, by Tom Best, Oliver Bush, Luc Eyraud,
and Belen Sbrancia. Sovereign Debt: A Guide for Economists and Practitioners at the
International Monetary Fund.

Federal Reserve Presentations

2021 Heterogeneous Effects of Monetary Policy, Federal Reserve Board Dissertation Fellows
2020 Purpose and Functions of the Federal Reserve, Grinnell College
2014 Trend Inflation, Federal Reserve Bank of Cleveland
2013 Economic Outlook, Women’s City Club Investment Group
2012 Economic Outlook, MBA students from the Ohio State University Fisher College
of Business, undergraduate students from West Liberty University

Invited Panels

- 2021 Former Intern Panel, Federal Reserve Board
What's Next? The Path to a PhD, Federal Reserve Bank of Cleveland
- 2020 COVID-19 and the Economy, Indiana University Alumni Webcast
Women in Economics, Federal Reserve Bank of Cleveland
- 2019 What's Next? The Path to a PhD, Federal Reserve Bank of Cleveland

Interviews

- 2017 American Economic Association Annual Meeting Poster Session
- 2016 Next Steps for the Fiscal Theory of the Price Level, Becker Friedman Institute

Referee

Quantitative Economics, *Review of Economic Dynamics* (x2), *European Economic Review* (x2), *International Journal of Central Banking*, *The BE Journal of Macroeconomics*, *Quarterly Review of Economics and Finance*, *Contemporary Economic Policy*, *Scandinavian Economic History Review*

PREVIOUS PROFESSIONAL EXPERIENCE

Dissertation Fellow	Federal Reserve Board, Fall 2019
CSWEP Dissertation Fellow	Federal Reserve Bank of Chicago, Summer/Fall 2019 Bureau of Economic Analysis, Summer 2019
Thomas J. Sargent Fellow	Federal Reserve Bank of San Francisco, Summer 2018
Ph.D. Intern	Federal Reserve Bank of Cleveland, Summer 2017
Research Assistant	Indiana University Todd B. Walker, Summer 2015 Eric M. Leeper, 2014-15
Senior Research Analyst	Federal Reserve Bank of Cleveland, 2014
Research Analyst	Federal Reserve Bank of Cleveland, 2011-13
Freelance Research Assistant	Warren Weber, 2013-14

SKILLS

Software

Extensive knowledge of Fortran, MATLAB, Stata, and \LaTeX
Working knowledge of Python, R, SAS, Tableau, Adobe Photoshop, and OpenMP
Bloomberg certified, Census Bureau Special Sworn Status

Languages

English (native), French (fluent), Spanish (beginner)

Volunteering

Howard University ECON 181/315: Exploratory Data Analysis, 2021
Habitat for Humanity of Monroe County, 2020
MathCorps Cleveland, 2012-13

REFERENCES

Prof. Todd B. Walker
Department of Economics
Indiana University
walkertb@iu.edu

Prof. Eric M. Leeper
Department of Economics
University of Virginia
eml3jf@virginia.edu

Prof. Christian Matthes
Department of Economics
Indiana University
matthesc@iu.edu